FUNDS FOR LEARNING
YOUR E-RATE GUIDES

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July 17, 2020

<u>*VIA ELECTRONIC FILING*</u>

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

      Re: *Ex Parte* **Submission**
         Modernizing the E-rate Program for Schools and Libraries -- WC Docket No. 13-184
         Schools and Libraries Universal Service Support Mechanism -- CC Docket No. 02-6

Dear Ms. Dortch:

On July 17, 2020, representatives of Funds For Learning, LLC, met via video conference with FCC staff to discuss the results of a national survey of E-rate applicants that was conducted in June 2020.

We met with the following individuals from the Wireline Competition Bureau (WCB): Sue McNeil, WCB Special Counsel; Gabriella Gross, Telecommunications Access Policy Division (TAPD) Deputy Division Chief; James Bachtell, TAPD Assistant Division Chief; Stephanie Minnock, TAPD Assistant Division Chief; Katherine Dumouchel, TAPD Special Counsel; and WCB Attorney Advisors Mark Nadel, Molly O'Coner, Carol Pomponio, and Greg Vadas.

The Funds For Learning (FFL) representatives in attendance were Cathy Cruzan, President, and John Harrington, CEO. We shared the attached presentation "2020 E-rate Trends Analysis Based on National Survey of E-rate Applicants (2016 to 2020)."

We explained that the survey results are an accurate representation of the overall experience, thoughts and opinions of E-rate applicants nationwide. There were 2,138 survey respondents, which equates to a sample size of 9.9% of all FY2020 E-rate applicants. Responses were received from every type of applicant, and from every state and territory, representing both rural and urban zones, in similar proportion to the overall population of E-rate applicants.

We shared the following observations based on the survey responses, referencing the percentage of applicants who agreed with each statement.

Measuring Success

- E-rate funding is vital to Internet access in schools and libraries (95%)
- Because of the E-rate program:
    - Schools and libraries have faster Internet connections (90%)
    - More students and library patrons are connected to the Internet (89%)
- Schools and libraries trust and depend on the E-rate program more than ever (89%)
- E-rate funding ensures sufficient access to broadband for schools and libraries (91%)
- The application process promotes cost-effective purchases (84%)
- The bidding requirements result in lower prices (72%)
- The application process is getting easier and faster (55%)

Remote Off-campus Internet

- Regarding off-campus Internet access and remote learning during the COVID-19 pandemic:
    - Insufficient home Internet access is a significant issue in 90% of communities
    - 93% of schools and libraries would share their Internet access off-campus at no additional cost to the E-rate program if the FCC permitted it
    - 84% have received little or no emergency financial support for Remote Learning
    - 82% agree the E-rate program is the best solution to support Remote Learning
    - 74% agree that off-campus network security is a serious concern

Eligible Services

- Most schools and libraries will increase their Internet bandwidth by at least 50% over the next three years, with an average annual increase of 17% reported by respondents
- 66% of applicants need dual Internet connections for reliable connectivity and would request it if the FCC allowed
- 28% of applicants report lower prices because of the option to purchase off-campus "self-provisioned" networks
- 98% of applicants describe Wi-Fi as extremely or very important
- 79% of applicants will upgrade their Wi-Fi within three years
- 51% of applicants strongly agree that they will apply for Category Two discounts in 2021
- The eligible services list should be updated to include: cybersecurity (98%); Dual Internet (88%); VoIP infrastructure (88%); Telephone service (75%); and school bus Wi-Fi (73%).

USAC and the EPC Portal

- 83% of applicants are very or somewhat satisfied with USAC
- 30% of applicants believes USAC cares a great deal or a lot about them
- The EPC portal meets applicant needs extremely well or very well (56%)
- Overall, the EPC portal is easy to use (47%)

Respectfully submitted,

/s/ John D. Harrington

John D. Harrington

Chief Executive Officer
Funds For Learning, LLC
2575 Kelley Pointe Parkway, Suite 200
Edmond, OK 73013

Attachment: 2020 E-rate Trends Analysis

cc: Sue McNeil
         Ryan Palmer
         Gabriella Gross

2020 E-rate Trends Analysis

Based on national survey of E-rate applicants (2016 to 2020)
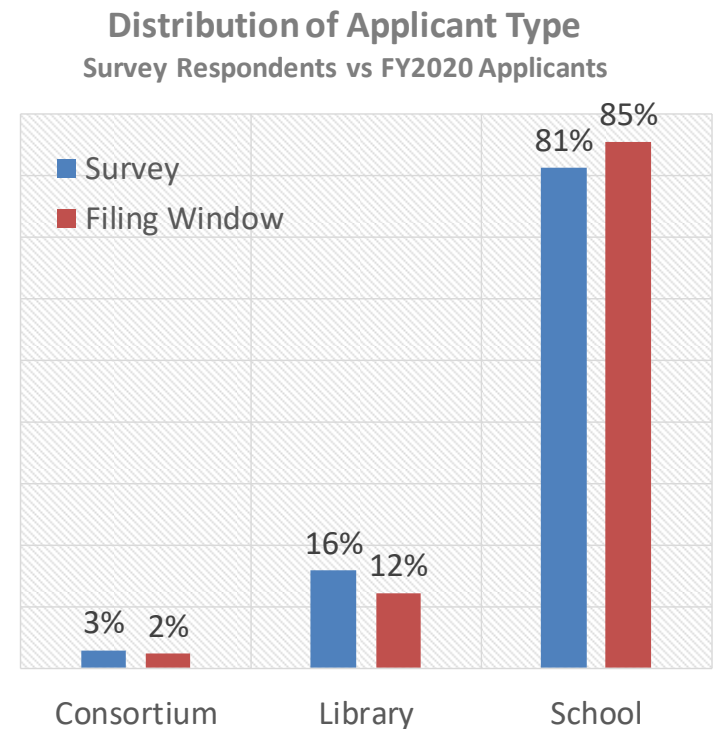
June 17, 2020

Presented by Funds For Learning®

Survey Summary

- E-rate program succeeding in its mission, offering:
  - Faster Internet access to more students and library patrons
  - Vital support for cost-effective solutions via a dependable program
- Insufficient off-campus Internet access is a significant, ubiquitous issue
  - Schools and libraries want to allow access to their E-rate funded networks
  - Applicants have not received much emergency support for remote learning
  - An E-rate type program is considered best approach to connect communities
- Applicants want cybersecurity, dual Internet, VoIP, and school bus Wi-Fi
- Most applicants satisfied with program administrator (USAC)
- Online application system (EPC) getting easier to use

June 2020 Survey of E-rate Applicants

- 10th national survey of E-rate applicants

- Industry-wide effort with support from members of SECA and E-MPA

- 2,138 respondents (9.9% of applicants)

- Representative sample
  - Similar distribution of applicant types
  - Responses from all states and territories

Distribution of Applicant Type
Survey Respondents vs FY2020 Applicants

Legend:
- Survey
- Filing Window

	Consortium	Library	School
Survey	3%	16%	81%
Filing Window	2%	12%	85%

Measuring Success

How well is the E-rate program achieving desired outcomes?

"Without the E-rate program we would not be able to provide internet access to our school. It's that simple."

- Rural school district

"We want to thank both USAC and the FCC for their efforts in providing much needed financial support to schools as we seek to provide the best education possible to all students. Internet access and infrastructure would be an overwhelming burden without the support"
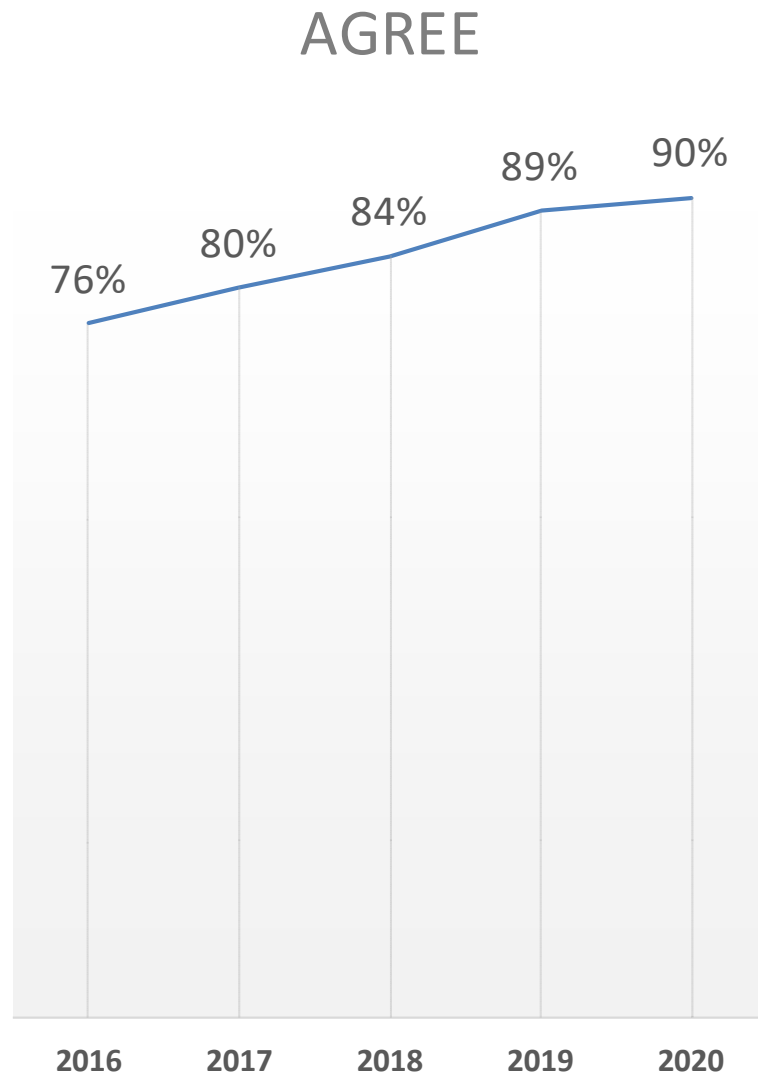
- Rural school district

"E-rate funding is **vital** to our organization's Internet connectivity goals."

-95% of schools and libraries

AGREE

85%   88%   90%   94%   95%

2016   2017   2018   2019   2020
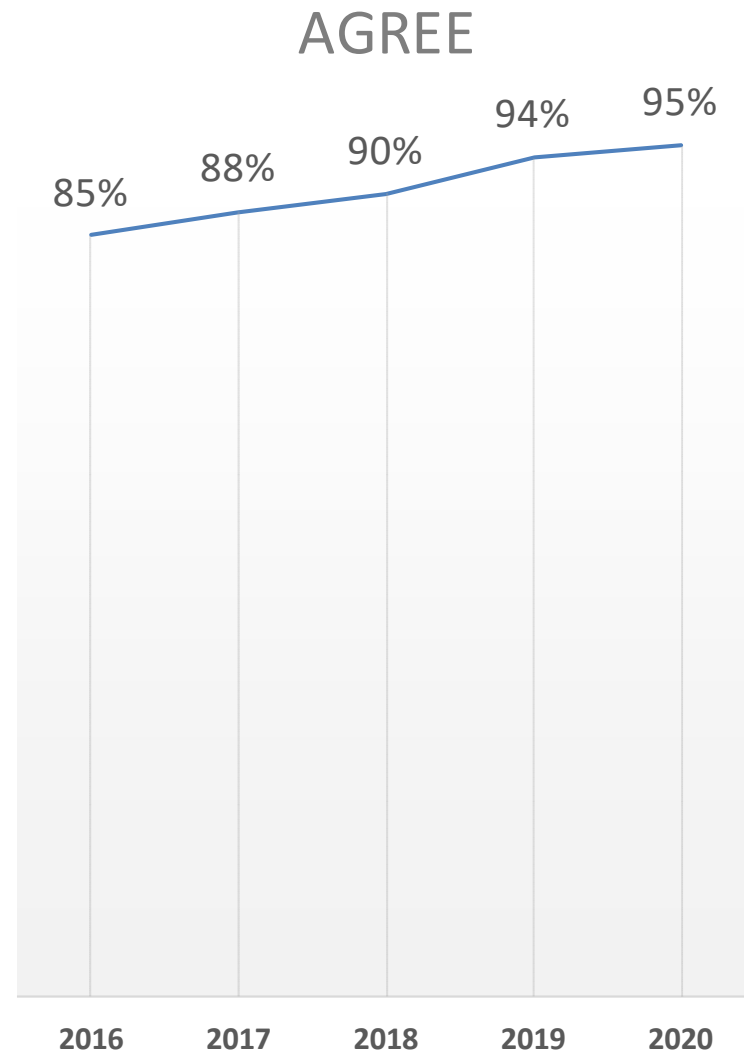
"We have faster internet connections to our site(s) because of the E-rate program."

-90% of schools and libraries

AGREE

76%   80%   84%   89%   90%
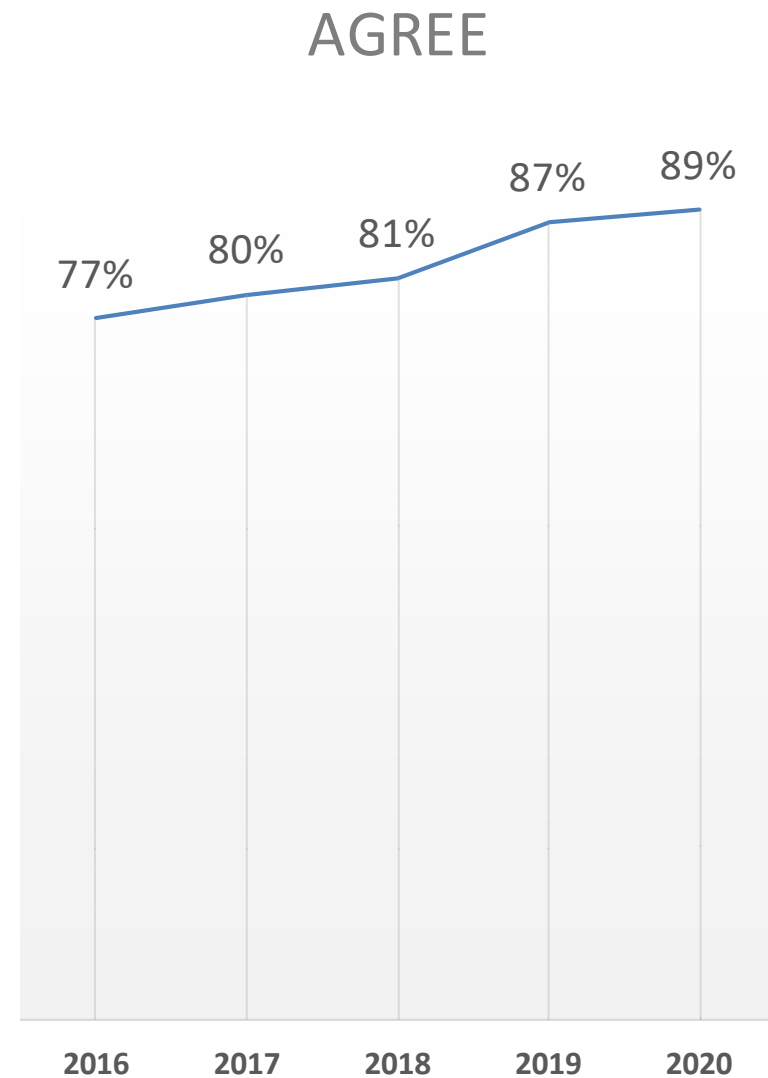
2016   2017   2018   2019   2020

"I really appreciate the program, it has done so much for our school's connectivity. 7 year ago when I arrived here we only had 4 T1 lines for a total of 6 Mbps up and download for an entire district to operate on; this summer we are upgrading to 2.5 Gbps fiber. We struggled to do online testing with only about 2 grade levels when I got here and now we have almost no testing connectivity issues. The program has made a huge difference for us."

-Rural School District

"We connect more students and/or library patrons to the Internet because of the E-rate program."

-89% of schools and libraries

AGREE

77% 80% 81% 87% 89%

2016 2017 2018 2019 2020

National Survey of E-rate Applicants (2016-to-2020)   June 17, 2020   9

AGREE

"Our organization can depend on E-rate funding every year."

-89% of schools and libraries

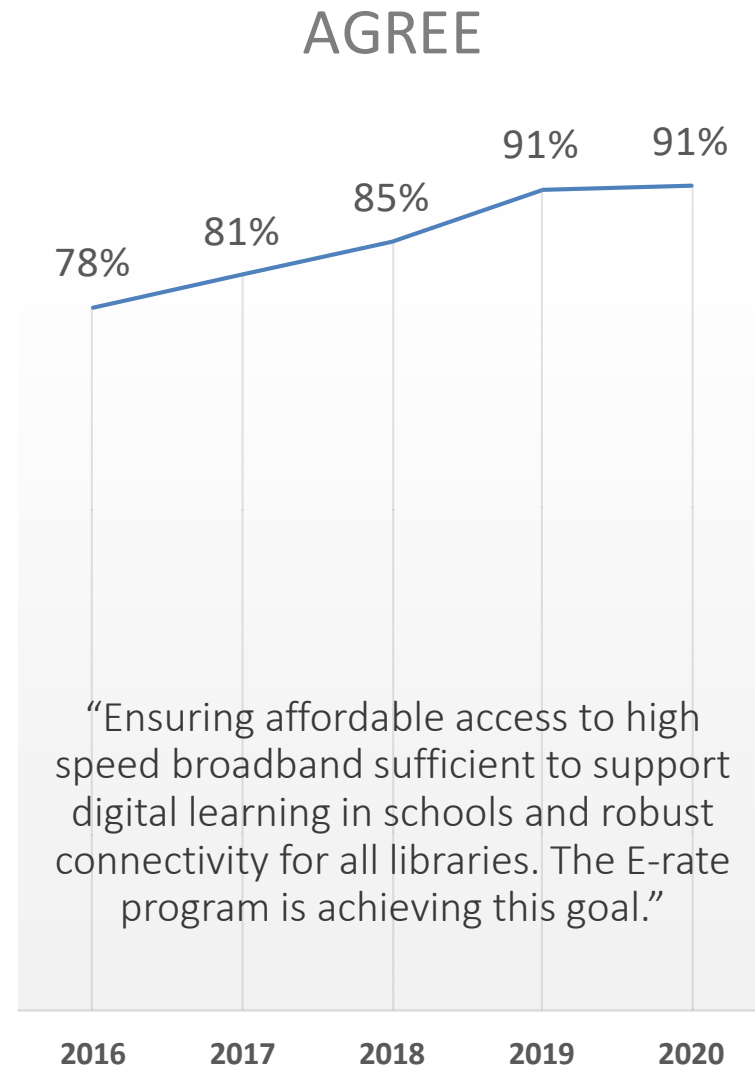66%   65%   74%   84%   89%

2016   2017   2018   2019   2020
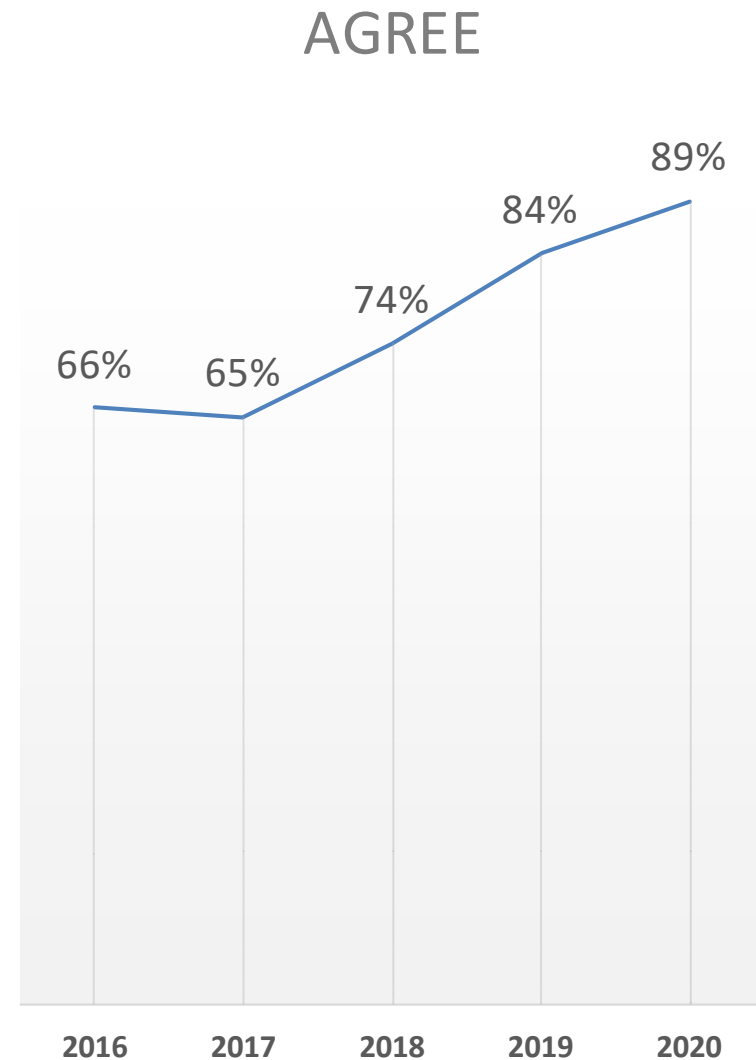
"E-Rate provides us with substantial funding to cover the mission critical expense of providing high speed internet, which enables us to meet the needs of our community."

- Urban Library

E-rate ensures access
to sufficient broadband

- 91% of schools and libraries

AGREE

78%   81%   85%   91%   91%

"Ensuring affordable access to high speed broadband sufficient to support digital learning in schools and robust connectivity for all libraries. The E-rate program is achieving this goal."

2016   2017   2018   2019   2020

AGREE

E-rate promotes cost-effective purchases.

- 84% of schools and libraries

65% 66% 73% 77% 84%

"Maximizing the cost-effectiveness of spending for E-rate supported purchases. The E-rate program is achieving this goal."

2016   2017   2018   2019   2020

AGREE
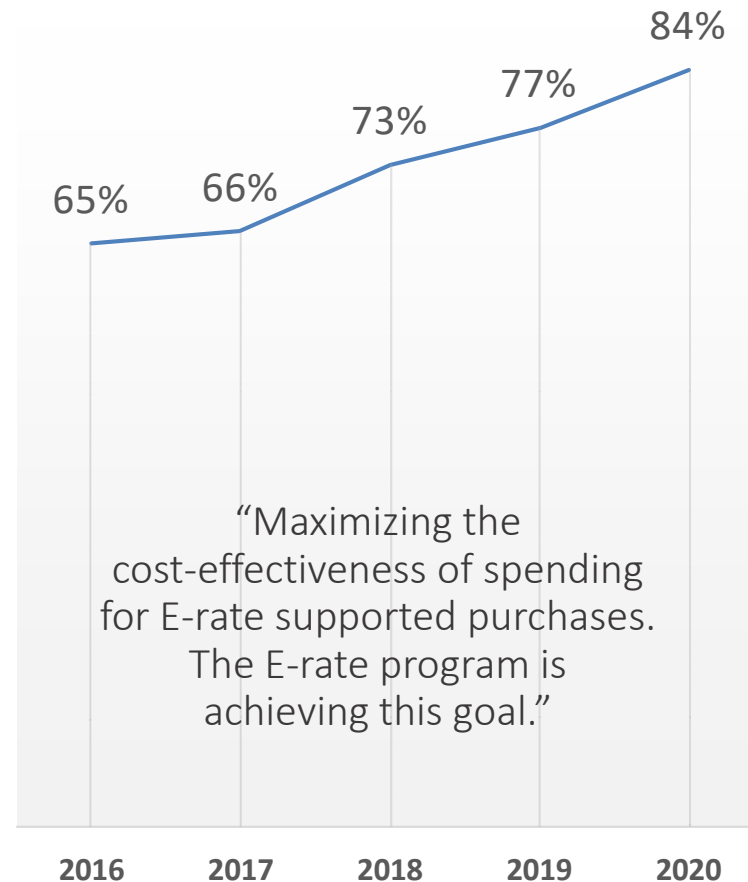
E-rate bidding
process results in
lower prices.

- 72% of schools and libraries

48%   52%   53%   70%   72%

The E-rate competitive
bidding process lowers
our prices.

2016   2017   2018   2019   2020
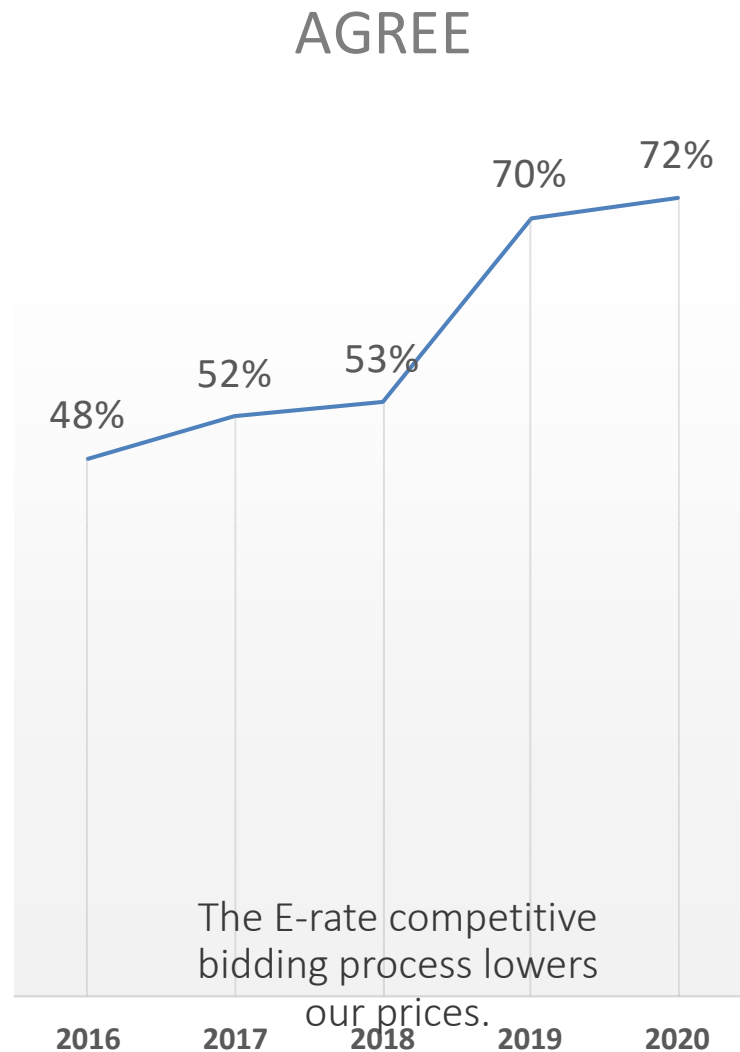
"It is important for schools that this program is reformed and expanded. It is critical to schools that this program is available to continue to provide support for the use of the internet and technology in our classrooms"
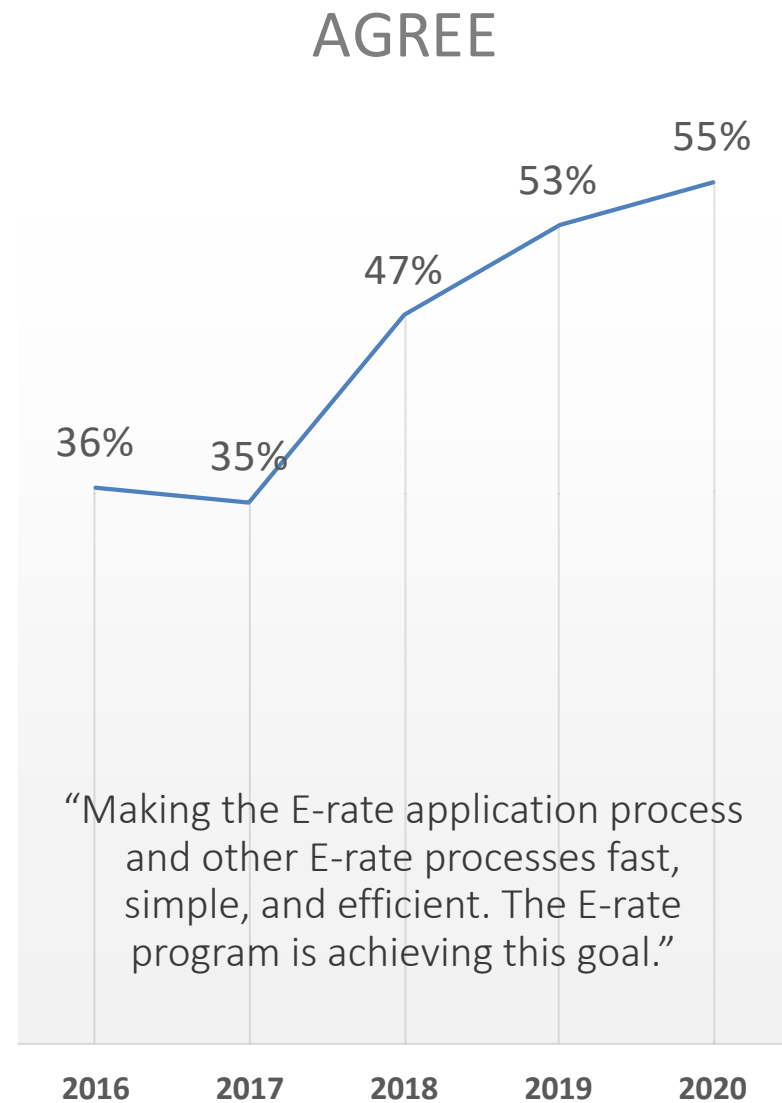
-   Rural School District

"It would be devastating to our school without this program"

-Rural School District

The process is getting easier and faster.

- 55% of schools and libraries

AGREE

55%

53%

47%

36%   35%

"Making the E-rate application process and other E-rate processes fast, simple, and efficient. The E-rate program is achieving this goal."

2016   2017   2018   2019   2020

"The application process has gotten better but still seems difficult and drawn out."
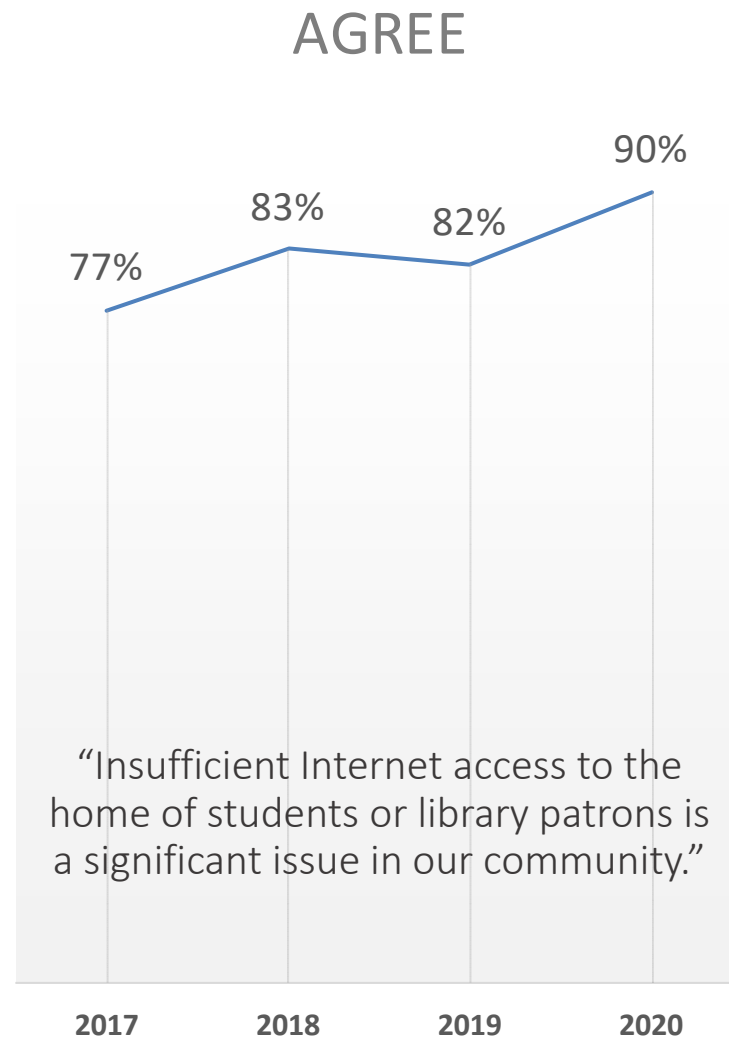
-Rural School District (IA)

"The application process is horrendous! Extremely confusing, time consuming, and complicated. We have filed E-rate for years and it still took 8 people in the room this year to figure out the application!

-Rural Library (IL)

Remote Learning and Off-Campus Internet Access

AGREE

Insufficient home
Internet access is a
significant issue
in our community.

- 90% of schools and libraries

77%   83%   82%   90%

"Insufficient Internet access to the
home of students or library patrons is
a significant issue in our community."

2017   2018   2019   2020

"Any help that USAC and the FCC can give us to get connectivity to our students in rural areas is GREATLY appreciated!!"
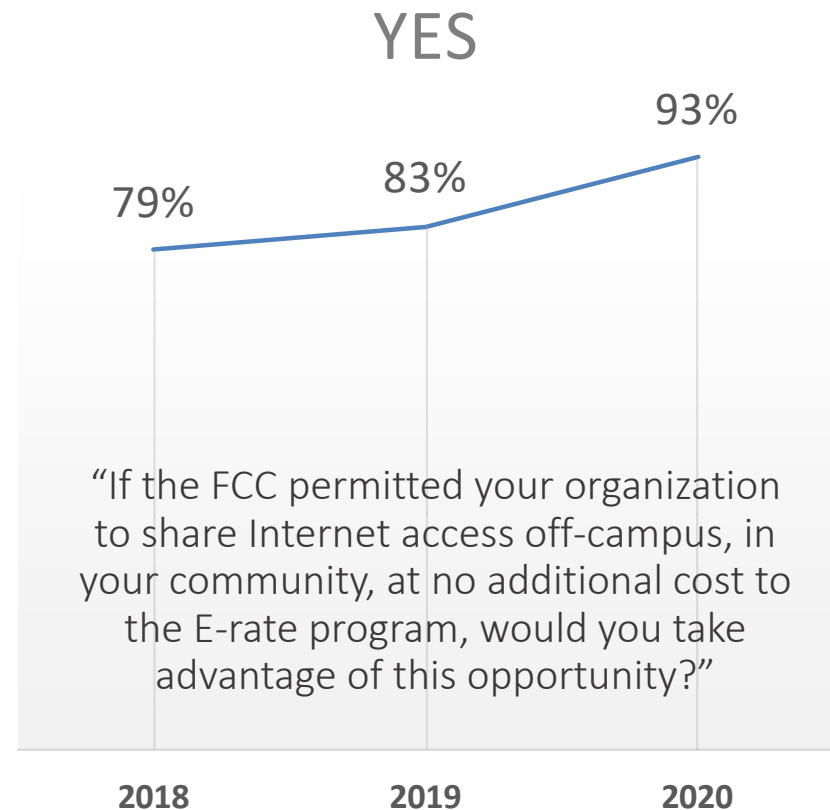
-Rural School District

"We need to share our connections with our students at home and the community that supports our schools. We are in an urban district where more than 20% of our students have no access at home."

-Urban School District

We would share our Internet access **off-campus at no cost to the E-rate program** if FCC rules allowed it.

- 93% of schools and libraries

YES

79% 83% 93%

"If the FCC permitted your organization to share Internet access off-campus, in your community, at no additional cost to the E-rate program, would you take advantage of this opportunity?"

2018   2019   2020

"Please. Help us support families at home. We appreciate you allowing us to share out our internet to nearby families. This is the first step we need to do more."
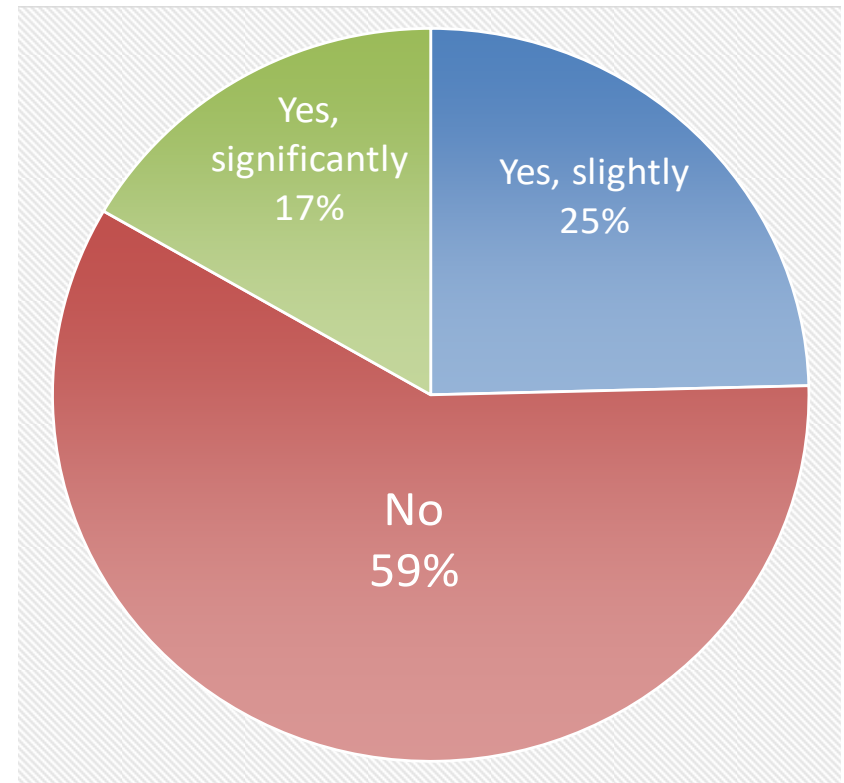
-Urban School District (CA)

"I think the homework gap and extending network services out to students especially in rural areas is the key to moving more online."

-Rural School District (OR)

We have received zero or only slight support for remote learning from emergency funds.

- 84% of schools and libraries
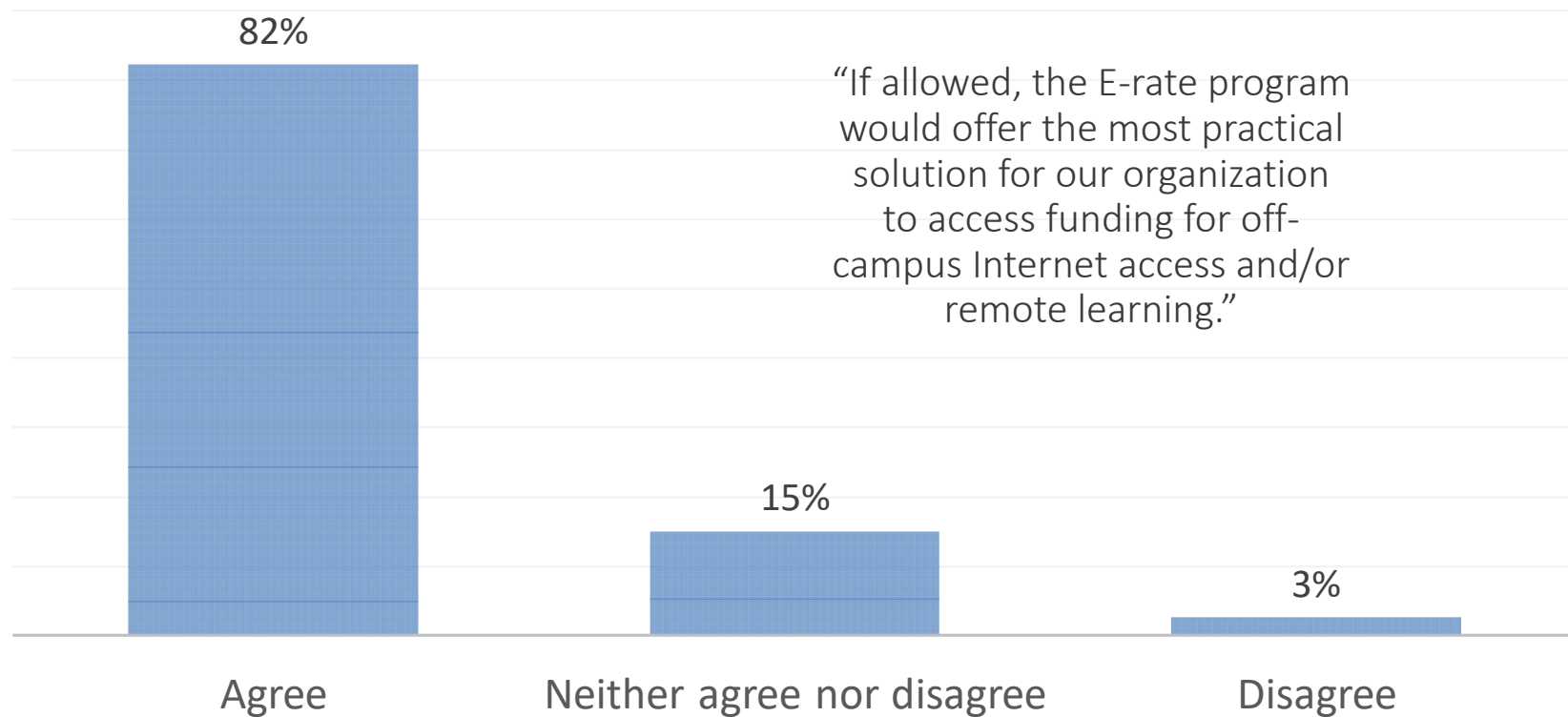

Yes, significantly
17%

Yes, slightly
25%

No
59%

"My organization has used emergency federal funding, such as the Emergency Stabilization Fund, for expenses necessary to support off-campus Internet access and/or remote learning."

E-rate is Best Solution to Provide Remote Learning

- 82% of schools and libraries agree

"If allowed, the E-rate program would offer the most practical solution for our organization to access funding for off-campus Internet access and/or remote learning."

82% — Agree
15% — Neither agree nor disagree
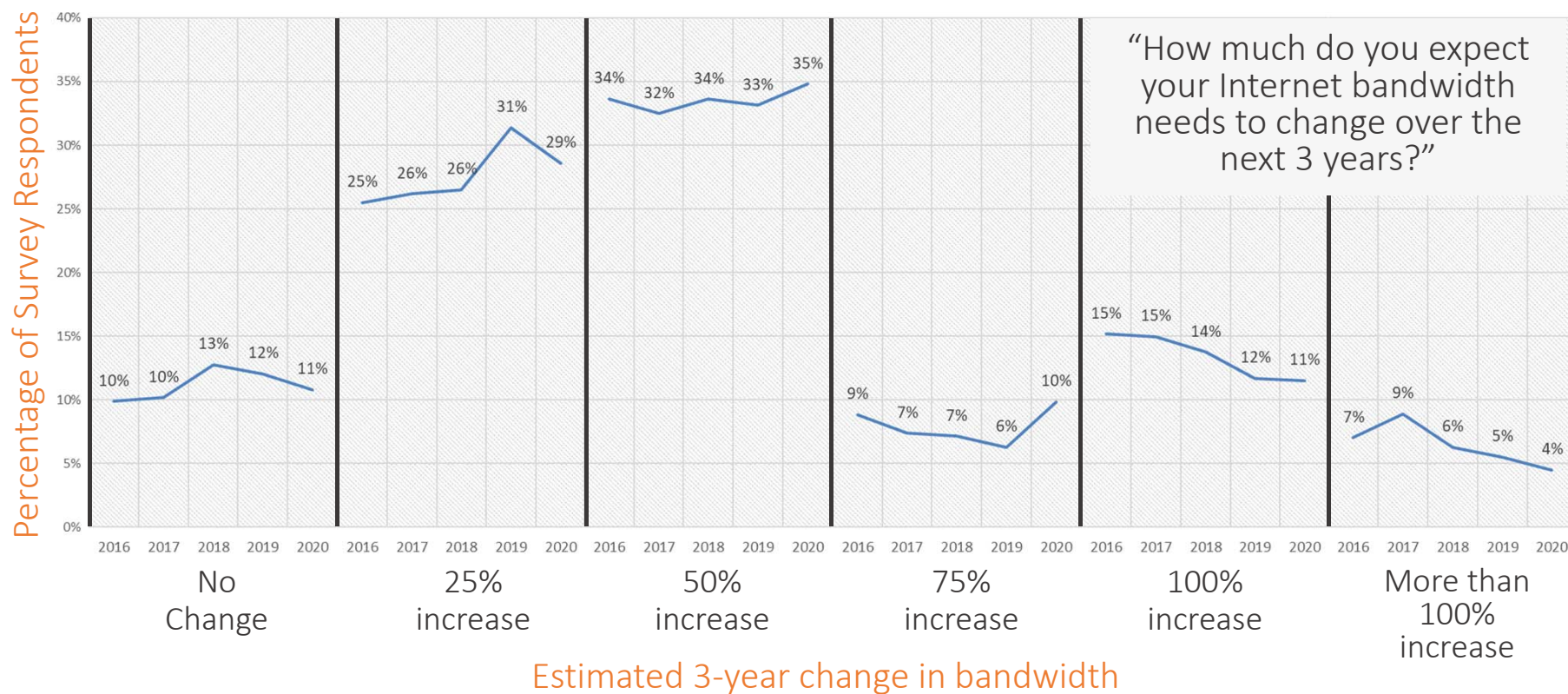3% — Disagree
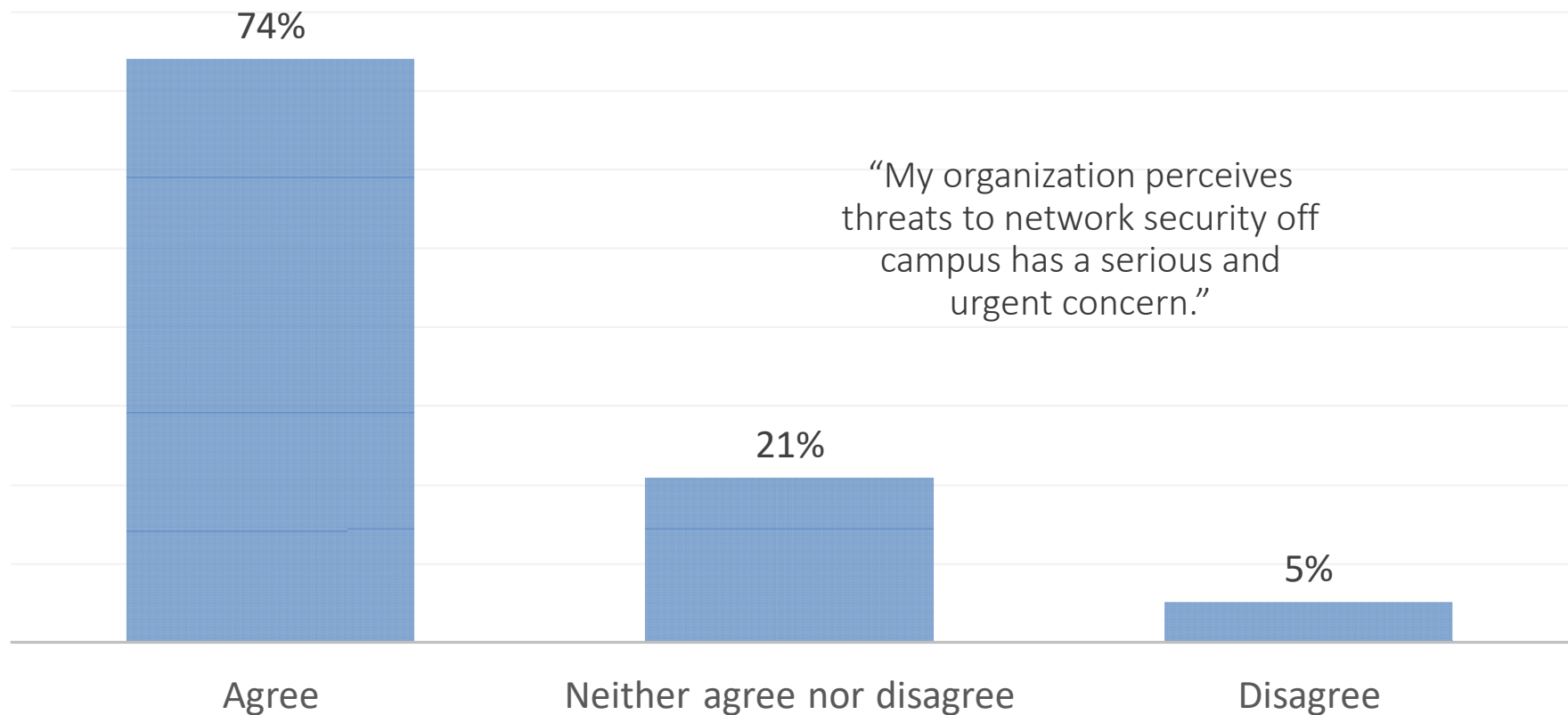
Eligible Services

Need for increased bandwidth continues
Three-year forecast: majority will add 50% or more.

"How much do you expect your Internet bandwidth needs to change over the next 3 years?"

Percentage of Survey Respondents

Estimated 3-year change in bandwidth

No Change — 2016: 10%, 2017: 10%, 2018: 13%, 2019: 12%, 2020: 11%
25% increase — 2016: 25%, 2017: 26%, 2018: 26%, 2019: 31%, 2020: 29%
50% increase — 2016: 34%, 2017: 32%, 2018: 34%, 2019: 33%, 2020: 35%
75% increase — 2016: 9%, 2017: 7%, 2018: 7%, 2019: 6%, 2020: 10%
100% increase — 2016: 15%, 2017: 15%, 2018: 14%, 2019: 12%, 2020: 11%
More than 100% increase — 2016: 7%, 2017: 9%, 2018: 6%, 2019: 5%, 2020: 4%
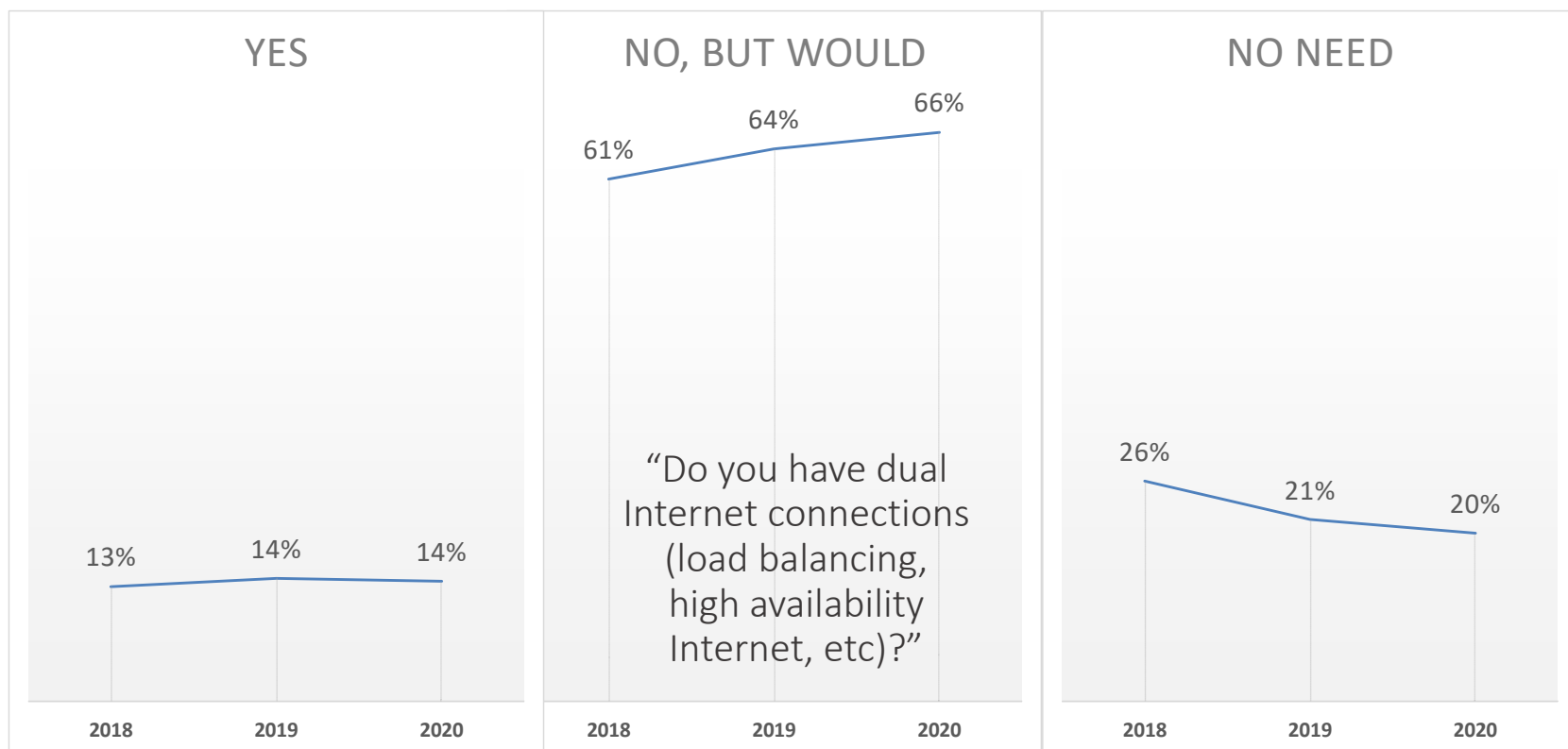
17% annual increase in Internet bandwidth
Yearly growth rate based on survey responses
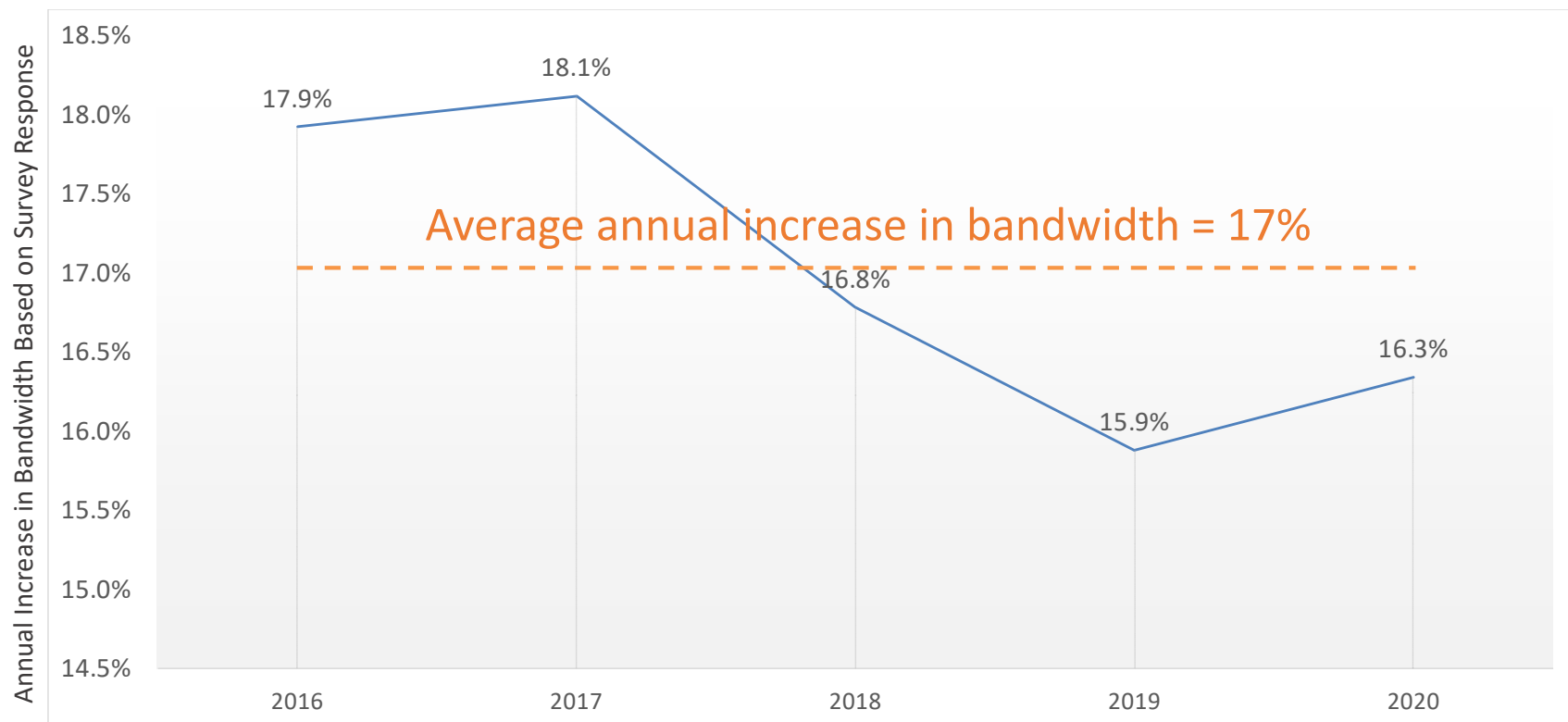
66% Applicants Need Dual Internet Connections
but do not have because E-rate rules currently deny requests

YES	NO, BUT WOULD	NO NEED

YES: 13% (2018), 14% (2019), 14% (2020)

NO, BUT WOULD: 61% (2018), 64% (2019), 66% (2020)

"Do you have dual Internet connections (load balancing, high availability Internet, etc)?"
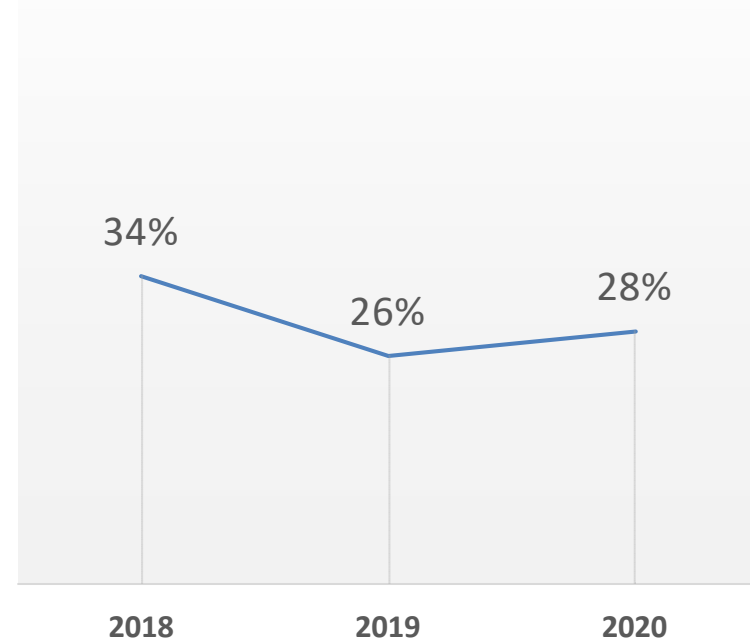
NO NEED: 26% (2018), 21% (2019), 20% (2020)
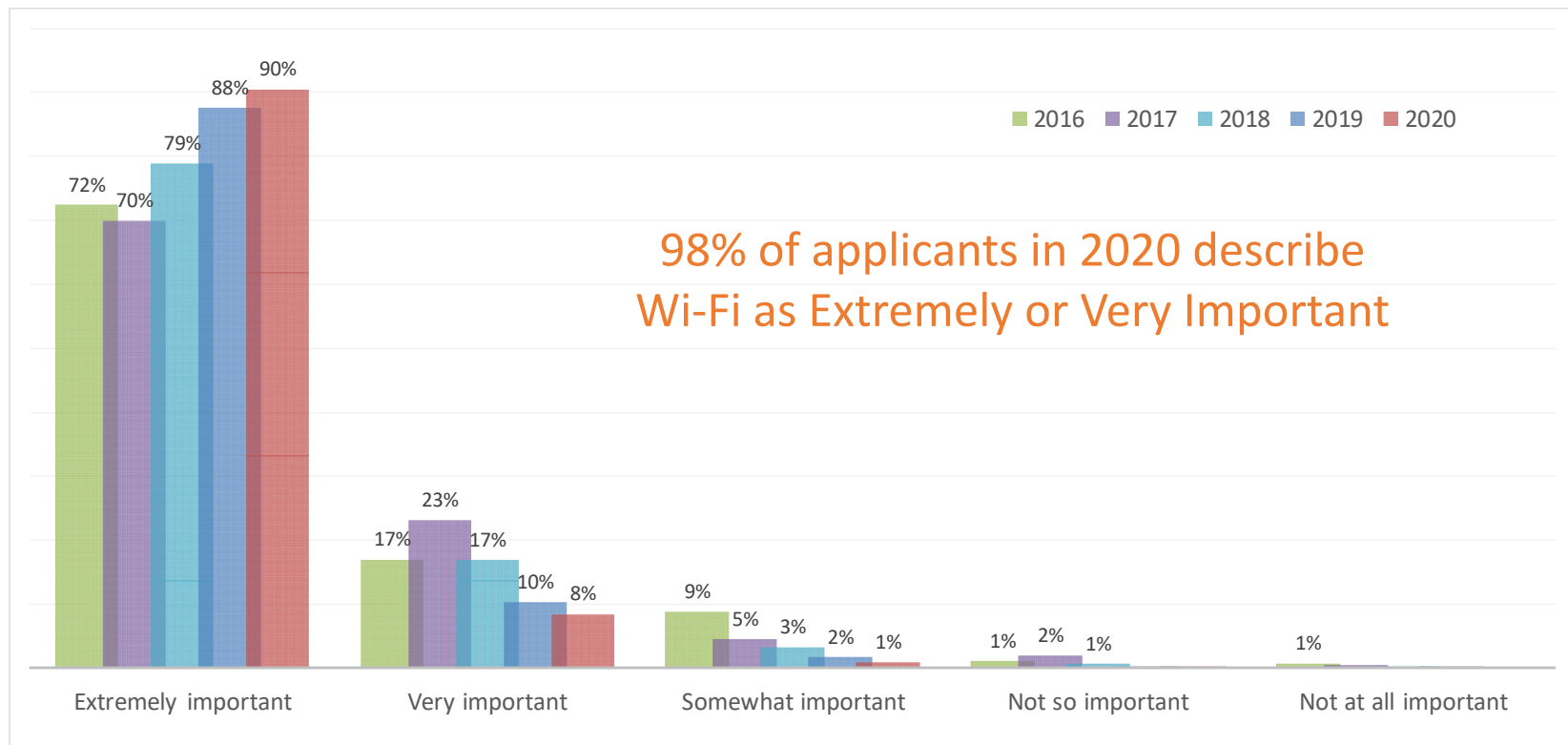
Option to consider applicant-owned network lowers prices

- 28% of schools and libraries

"Option to purchase Self-Provisioned network (applicant owned) has lowered our overall price per megabit."

34%

26%

28%

2018　　　**2019**　　　**2020**

How important is Wi-Fi to fulfilling your organization's mission?

98% of applicants in 2020 describe Wi-Fi as Extremely or Very Important

Legend: 2016, 2017, 2018, 2019, 2020

Extremely important: 72%, 70%, 79%, 88%, 90%

Very important: 17%, 23%, 17%, 10%, 8%

Somewhat important: 9%, 5%, 3%, 2%, 1%

Not so important: 1%, 2%, 1%

Not at all important: 1%

When will you need to upgrade your current Wi-Fi network?

79% of applicants will upgrade Wi-Fi within 3 years

Legend: 2018, 2019, 2020

Within 1 year: 13%, 18%, 20%
1–3 years: 52%, 57%, 59%
4–5 years: 27%, 21%, 18%
More than 5 years: 7%, 4%, 3%
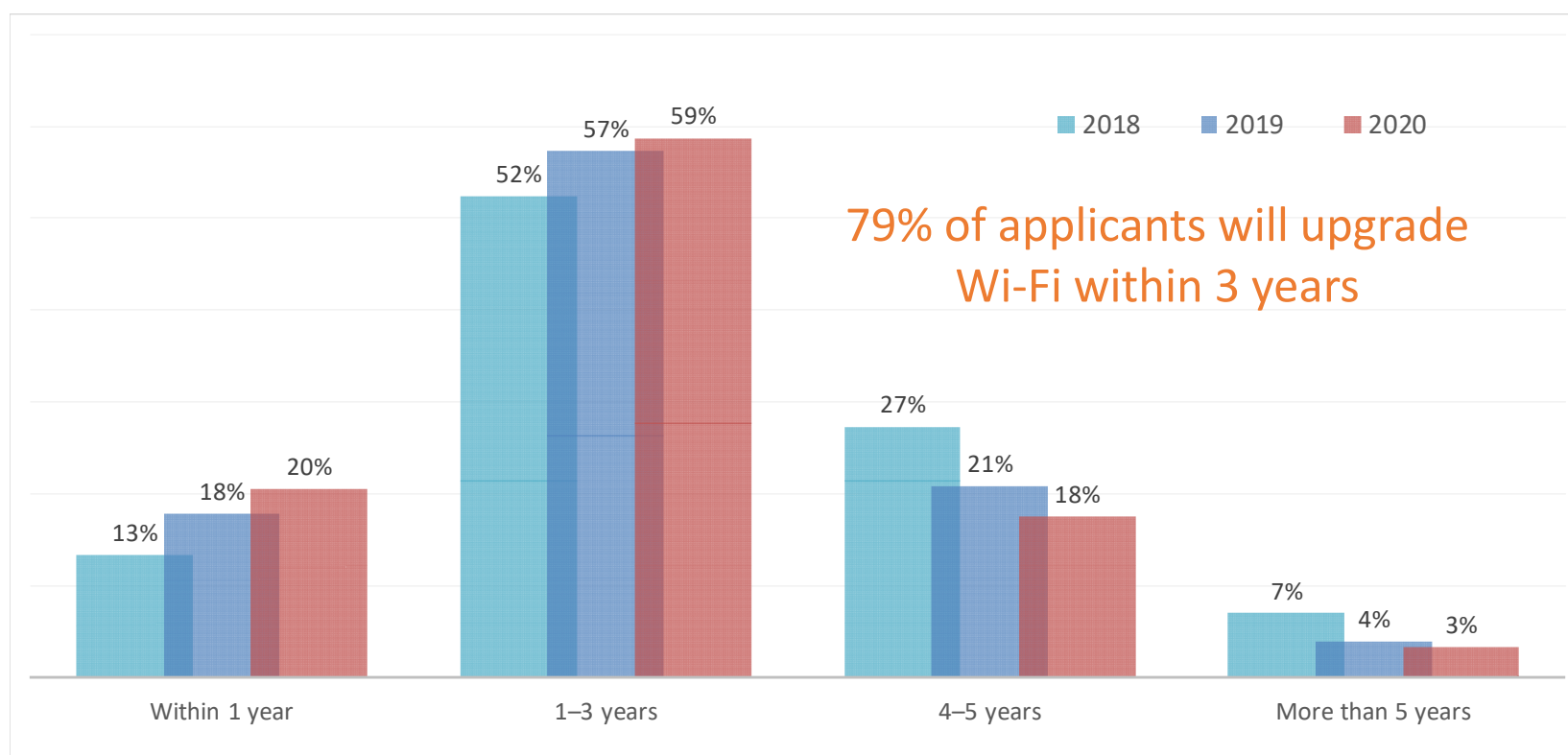
My organization intends to apply for Category Two discounts next year, in funding year 2021.

51% strongly agree they will apply for C2 in FY2021

- 51% — Strongly agree
- 24% — Agree
- 19% — Neither agree nor disagree
- 5% — Disagree
- 1% — Strongly disagree

Portion of applicants requesting Category Two (FY2015-FY2020)

2015	2016	2017	2018	2019	2020
39%	43%	40%	42%	50%	54%

Source: E-rate Manager®
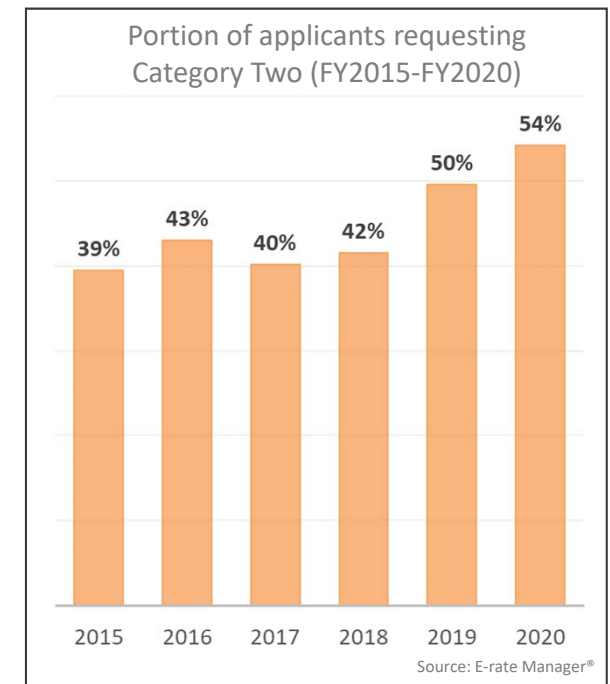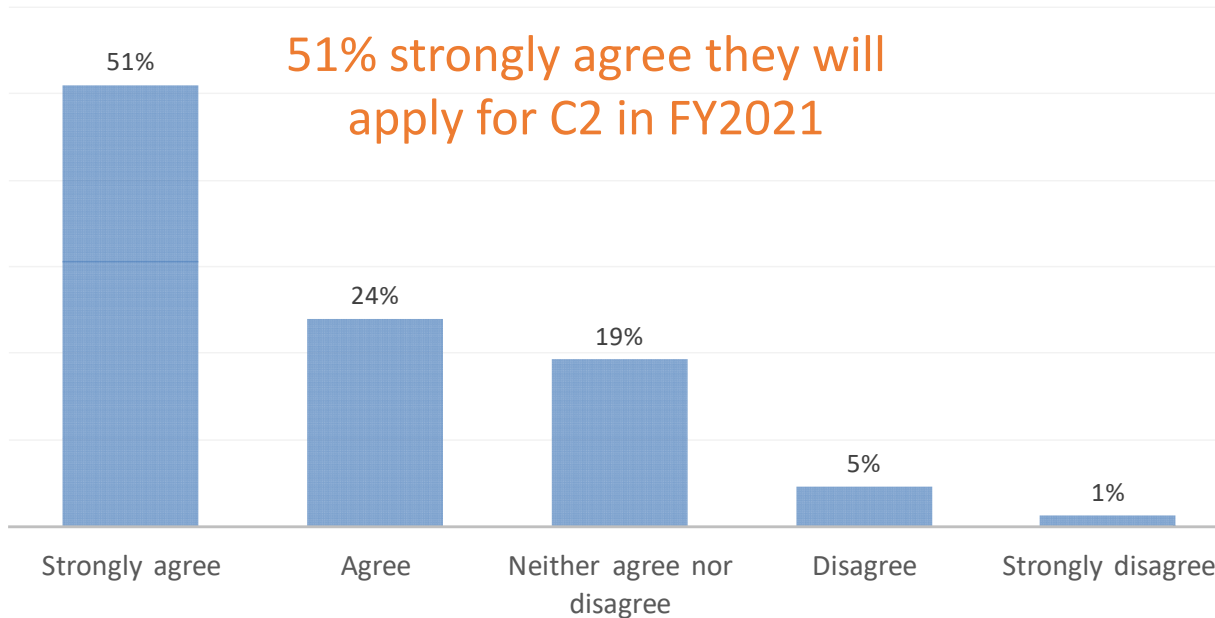
Which of the following services should qualify for E-rate support?

Legend: 2018, 2019, 2020

- CyberSecurity: 96%, 96%, 98%
- Dual Internet: 82%, 87%, 88%
- VoIP Infrastructure: 87%, 89%, 88%
- Telephone Service: 76%, 75%, 75%
- School Bus Wi-Fi: 58%, 66%, 73%
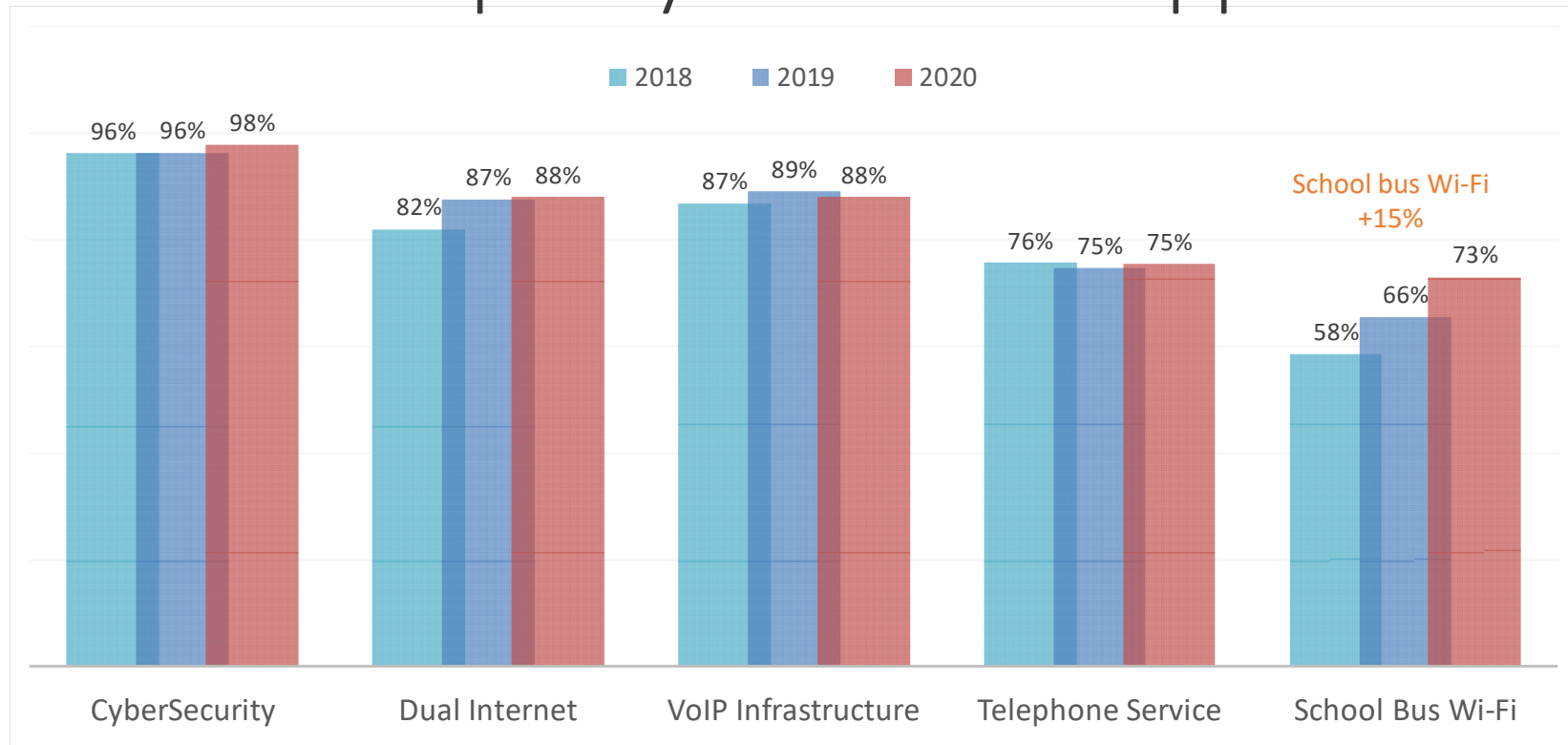
School bus Wi-Fi +15%

USAC and the EPC Portal

Overall, how satisfied or dissatisfied are you with USAC?

83% are very or somewhat satisfied with USAC

Legend: 2019, 2020

	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied
2019	38%	42%	9%	8%	2%
2020	45%	38%	9%	6%	1%
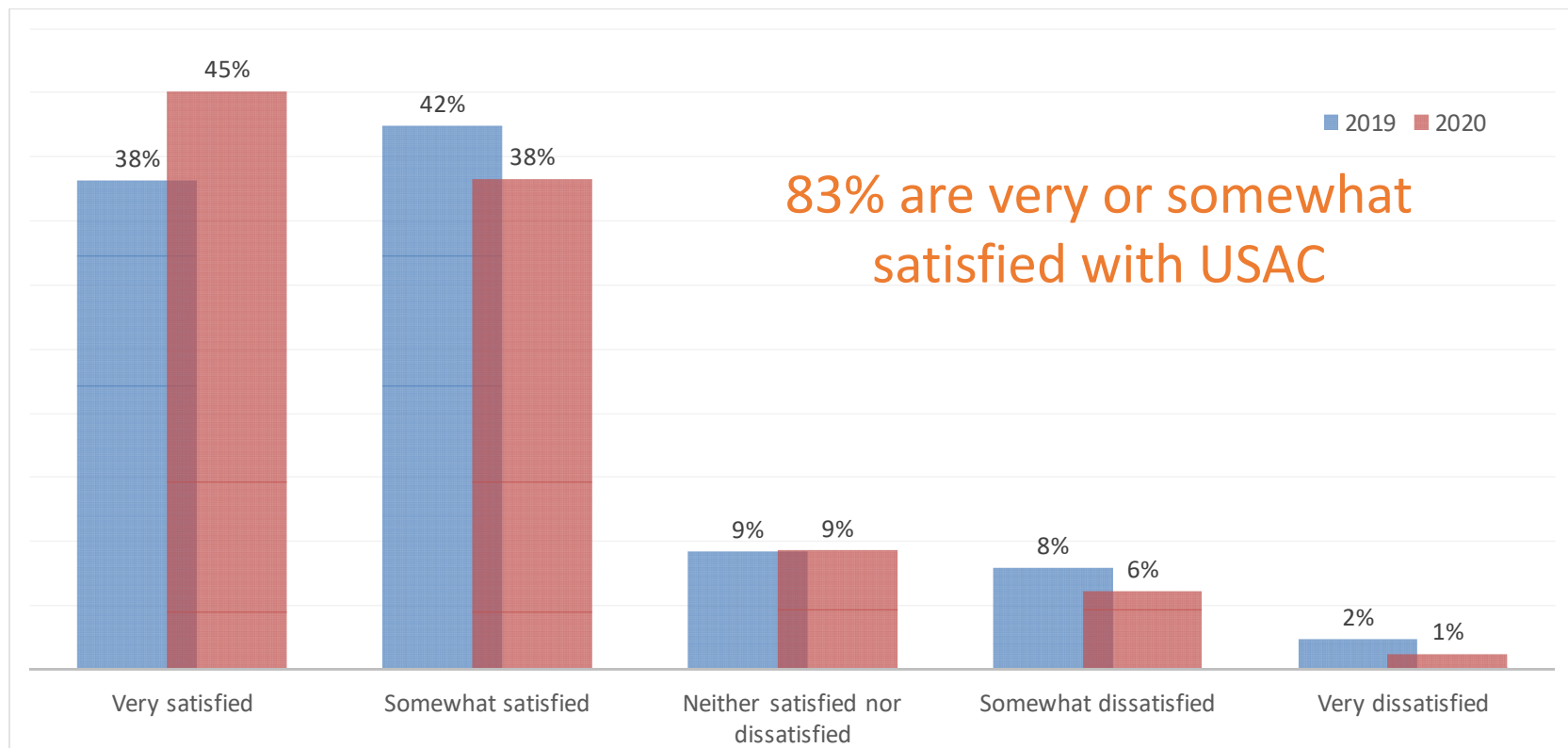
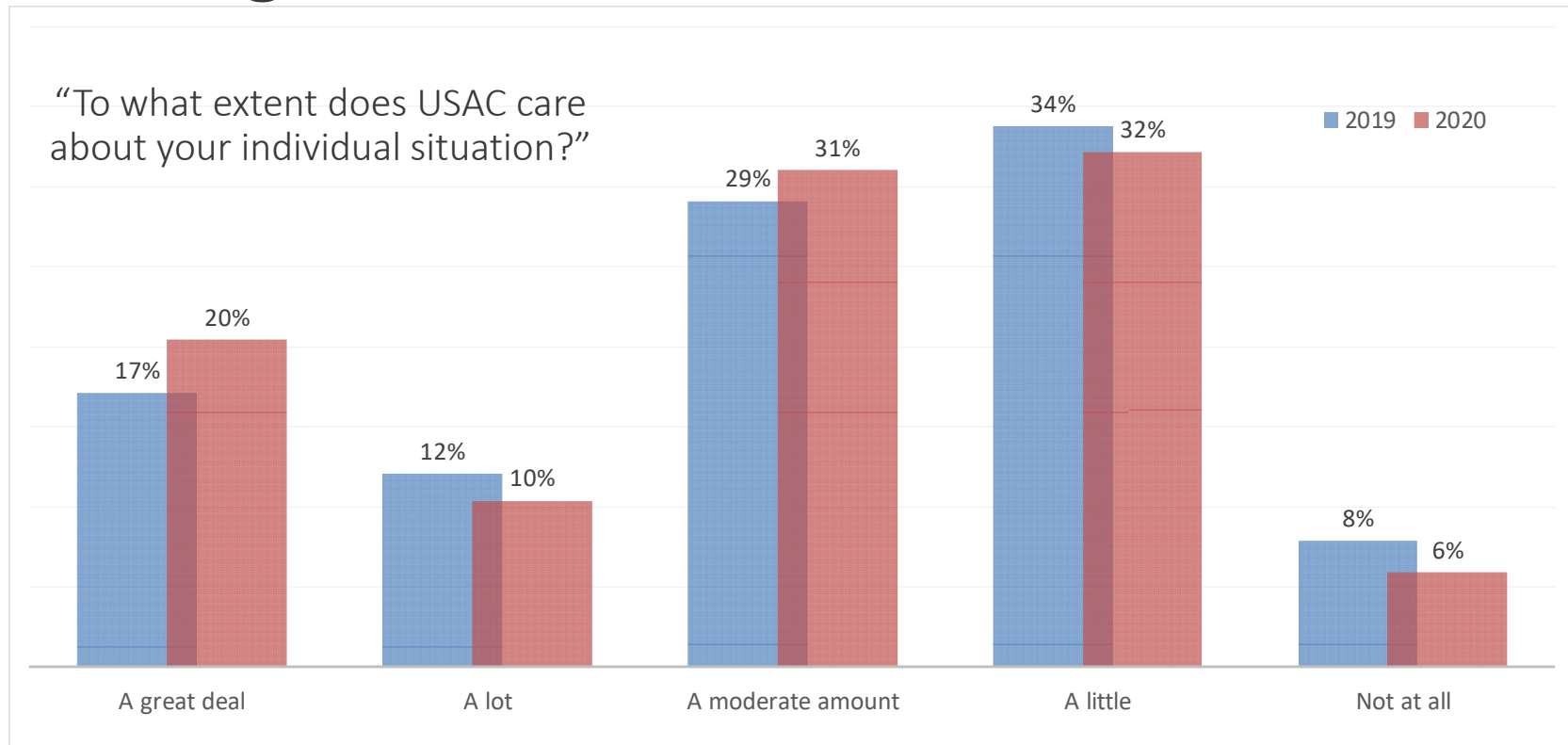*"USAC is performing an ESSENTIAL SERVICE for schools and libraries. THANK YOU"*

- Rural school district

"Without E-rate and USAC we simply would have no internet as we absolutely could not afford it and in the current state of this pandemic we could NOT have made it through or have been as effective as a school district as we were!!!!! It is VITAL!"
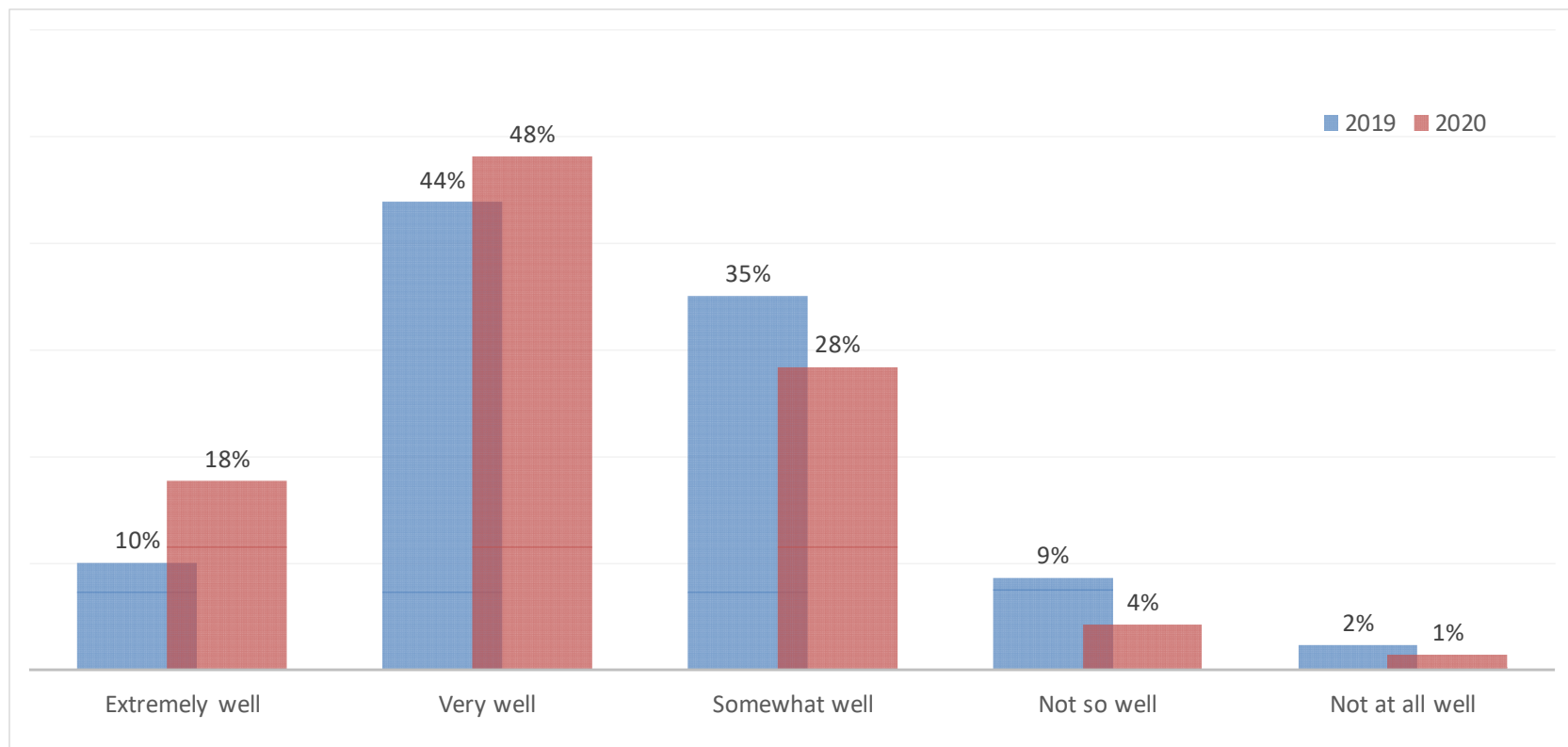
- Rural school district

30% believe USAC cares a great deal or a lot about them

"To what extent does USAC care about your individual situation?"

2019   2020

A great deal: 17% / 20%
A lot: 12% / 10%
A moderate amount: 29% / 31%
A little: 34% / 32%
Not at all: 8% / 6%

"The review process sometimes seems to have lost its way and has begun to think the goal is to nitpick technical issues with applications to deny funding. The goal is funding and the process is intended to look for abuse and stop at that. Funding schools should be the goal."

- Urban public school district

Overall, how well does the EPC portal meet your needs?

"EPC has been a life changer in terms of speeding up the application process and storing key documents for future audits and multi-year applications."

-Urban School District (IL)

"The EPC web portal is needlessly complicated. Very difficult to put information in and get information out. This is not an intuitive set up at all."

-Urban School District (CA)

CLOSING THOUGHT

"The E-rate program has cut our costs for internet service and we are grateful for this. Internet is extremely important to us in an outlying area. Thank you."

- Rural public school district (CA)